



# *City of South Salt Lake*

## Residential Rental & Business License Disproportionate Fee Study

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# Utah Code - Business License Fees

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Utah code states that fees charged reflect the amount necessary to reasonably regulate business activity, including the costs of disproportionate or enhanced levels of municipal services required by some business classes, geographic locations, etc.

**Utah Code §10-1-203**



# Current Fees Not Supported By Study

BUSINESS TYPE	CURRENT FEE	DISPROPORTIONATE COST	NOTES
Boarding House	\$15/Unit		None located in the City No data available Remove from fee schedule
Employment Agency	\$200	\$147 Base + \$111 Disproportionate	Included as part of <i>Business &amp; Professional Services</i> Category. Must charge all businesses in the same category the same fee.
Home Occupation	\$40	\$18 Renewal	Maximum fee is \$18 for a renewal home occupation license
Theaters	\$100/Screen	\$35,560 Disproportionate Per Business	Charge disproportionate fee per business rather than per screen
Circuses, Menageries, etc.			No history with licensing these types of businesses – remove from fee schedule



# Current Fees Not Supported By Study

BUSINESS TYPE	CURRENT FEE	DISPROPORTIONATE COST	NOTES
Audit Fee	\$150	NA	Service not currently provided
Amusement Devices	\$30/Device Special Regulatory Fee	\$0	Fee may not be included as part of fee schedule
Pool Tables	\$30/Table Special Regulatory Fee	\$0	Fee may not be included as part of fee schedule
Bowling Alleys	\$30/Lane Special Regulatory Fee	\$8,045 Per Business	Must charge disproportionate fee per business rather than per lane
Motor Vehicle License Fees	\$25/Vehicle	\$1.00	Maximum allowable fee is \$1.00
Fireworks	\$120	\$94	Maximum allowable fee is \$94



# Current Fees Not Supported by Study

TYPE	CURRENT FEE	DISPROPORTIONATE COST	NOTES
Gas Station	\$25/Pump Special Regulatory Fee	\$3,744/Station	Must charge disproportionate fee per business rather than per pump
Masseur	\$100 Special License Fee	\$252 Per Business	Included as part of <i>Personal Services</i> category. May charge up to <u>\$252 disproportionate fee</u> , but need to charge all businesses in the same category the same fee.
Booth Rental in Beauty/Nail Salon	\$25/Booth	\$18/Booth	Maximum allowable fee is \$18
Vending Machine	\$3 - \$15/Machine Special Regulatory Fee	\$0	Fee may not be included as part of fee schedule
Temporary License	\$85	\$62	Maximum allowable fee is \$62
Rental Duplexes	\$94/Unit	\$26/Unit	Maximum allowable fee is \$26/Unit



# Study Process

## I. Data Gathering

- Interviews
  - South Salt Lake Business Licensing Process
  - Time/People Involved in Each Process
- Financial information

## II. Analyze Call Data/Business Groupings

- Analyze Police and Fire Call Data
- Group businesses by type and disproportionate call ratios
- Businesses in the same class must be charged the same fee (Utah Code §10-1-203(6))
  - Strip Malls

## III. Cost Calculations

- Calculate costs
  - Base Costs, Disproportionate Regulatory Costs, Disproportionate Service Call Costs



# Disproportionate Service Call Analysis

Level of 911 calls to the South Salt Lake police and fire departments for services required by businesses compared to the level of services required by non-rental residences. The level of police and fire services required by non-rental residences is the “base” level of services (base call ratio).

The number of calls above the base level is the disproportionate level of service generated by business classes in South Salt Lake.



# Disproportionate Call Ratio

	POLICE		FIRE	
Base Call Ratio (SFR)	1.063		0.100	
RENTAL HOUSING TYPE	CALL RATIO POLICE	DISPROPORTIONATE CALL RATIO POLICE	CALL RATIO FIRE	DISPROPORTIONATE CALL RATIO FIRE
Single Family Rentals	2.147	1.084	0.230	0.130
Duplex	1.260	0.197	0.086	0.000
3+ Rentals	1.752	0.689	0.195	0.095





# Calculating Disproportionate Costs of Service



## **Base = OWNER-OCCUPIED, SFR**

1.063 Police Calls = \$142  
.100 Fire Calls = + \$ 61  
**Total Cost = \$203**



## **PROFESSIONAL & BUSINESS SERVICES**

1.888 Police Calls = \$253  
.100 Fire Calls = + \$ 61  
**Total Cost = \$314**  
**Less Admin Base Service Cost - (\$203)**  
**Disproportionate Cost = \$111**



## **FAST FOOD**

10.728 Police Calls = \$1,436  
.695 Fire Calls = + \$ 427  
**Total Cost = \$1,863**  
**Less Admin Base Service Cost - (\$203)**  
**Disproportionate Cost = \$1,660**

# Rental Costs

<i>RENTAL HOUSING TYPE</i>	<i>TOTAL # OF UNITS</i>	<i>DISPROPORTIONATE COST PER UNIT</i>	<i>TOTAL COST</i>
Single Family Rentals	518	\$225	\$116,550
Duplex	408	\$26	\$10,608
3+ Units (205 complexes)	3,523	\$151	\$531,973
Total Disproportionate Cost	\$659,131		
Total Base Cost (\$150)	\$127,238		
<b>Total Rental Cost</b>	<b>\$786,369</b>		



# Current Rental Fees

## **South Salt Lake Rental Fees** Base+Unit

RENTAL LICENSE FEE CALCULATION WORKSHEET		
Category	Standard Fee	Fee with Good Landlord Certification
Single Family	\$150 base fee + \$225 per unit	\$30.00 base fee + \$ 30.00 per unit
Duplex and Triplex	Duplex = \$150 base fee + \$26 per unit Triplex = \$150 base fee + \$51 per unit	\$40.00 base fee + \$ 30.00 per unit
Duplex and Triplex – Owner Occupied	(no base fee) \$60.00 per unit	(no base fee) \$24.00 per unit
Quad-Plex	\$150.00 base fee + \$151.00 per unit	\$100.00 base fee + \$ 30.00 per unit
Apartments – 5 or more units	\$150.00 base fee + \$151.00 per unit	\$125.00 base fee + \$ 30.00 per unit



# Current Commercial License Fees

Business Category	Total Base Fee	# of businesses	Max disprop. Fee per business	\$ Disprop. fee/business	% of Disproportionate fee	Total Business License Fee
Amusement	147	1	\$0	\$0	0%	\$147
Auto Sales, Body, Repair, and Towing	147	266	\$37	26	70%	\$173
Construction and Manufacturing	147	344	\$222	155	70%	\$302
Professional and Business Services	147	336	\$111	78	70%	\$225
Private Clubs, SOBs, Taverns	147	18	\$2,004	1403	70%	\$1,550
Retail General	147	340	\$322	225	70%	\$372
Wholesale	147	190	\$313	219	70%	\$366
Convenience Store - Non Pre Pay	147	3	\$16,684	4171	25%	\$4,318
Live Entertainment	147	1	\$2,358	0	0%	\$147
Check Cashing and Pawn	147	17	\$483	275	57%	\$422
Day Care	147	10	\$389	222	57%	\$369
Financial	147	23	\$1,003	572	57%	\$719
Golf	147	1	\$1,112	634	57%	\$781
Mobile Food Services	147	2	\$0	0	0%	\$147
Moving Warehouse	147	7	\$289	165	57%	\$312
Personal Services	147	65	\$252	144	57%	\$291
Horse Stables	147	1	\$58	33	57%	\$180
Convenience Stores - Pre-Pay Required	147	9	\$3,744	2134	57%	\$2,281
Convenience Stores without Gas	147	1	\$3,006	1713	57%	\$1,860
Fast Food	147	32	\$1,660	946	57%	\$1,093
Restaurant	147	31	\$500	285	57%	\$432
Markets and Bakeries	147	17	\$147	84	57%	\$231
Drug Store	147	1	\$12,702	1905	15%	\$2,052
Bowling Alley	147	2	\$8,045	1207	15%	\$1,354
Large Retail	147	2	\$9,907	1486	15%	\$1,633
Large Grocery	147	1	\$11,138	1671	15%	\$1,818
Movie Theatre	147	1	\$35,560	4323	12%	\$4,470
Indoor Sports Training	147	1	\$10,485	1573	15%	\$1,720
Businesses charged per unit		Per Unit Disproportionate Cost		Disp. Fee/unit	# of Units	
Mini Storage	10	\$0.54	56%	\$0.30	1222	
Nursing Homes	3	\$112	45%	\$50.00	175	
Short-term lodging	3	\$12	58%	\$7.00	226	
Long-term lodging	2	\$161	55%	\$89.00	170	
Mobile Homes	6	\$224	45%	\$101.00	180	



# Total Cost – 2010

BUSINESS TYPE	BASE COST	DISPROPORTIONATE COST	TOTAL COST	FY 2015-2016
Commercial Businesses	\$264,158	\$738,779	\$1,002,937	\$706,837.81
Rental Housing	\$127,238	\$659,131	\$786,369	\$226,793.53
Mobile Homes	\$882	\$40,320	\$41,202	
Home Occupation Businesses	\$2,934	\$206	\$3,140	
<b>Total Cost</b>	<b>\$395,212</b>	<b>\$1,438,436</b>	<b>\$1,833,648</b>	<b>\$1,833,648</b>
<b>FY 2010 Business License &amp; Permits Revenue</b>	<b>\$685,000</b>			<b>\$1,002,684</b>

